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IN THE

Supreme Court of the United States

No. 1106

DEMPSTER BROTHERS, INC., ET AL., *Petitioners,*

v.

BUFFALO METAL CONTAINER CORPORATION, ET AL., *Respondents.*

PETITION FOR REHEARING OF ORDER ON PETITION FOR WRIT OF CERTIORARI

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PRESS OF BYRON S. ADAMS PRINTING, INC., WASHINGTON, D. C.

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Petitioners respectfully pray that this Court grant a rehearing of its order, dated May 16, 1966, denying the petition for writ of certiorari, to review the judgment of the United States Court of Appeals for the Second Circuit.

This petition for rehearing is filed under Rule 58, par. 2, and presents substantial grounds available to Petitioners, although not previously presented in the original petition, and, in part, intervening circumstances of substantial or controlling effect.

GROUNDS FOR REHEARING OF PETITION FOR CERTIORARI

1. The decision of the Court of Appeals for the Second Circuit is in conflict with decisions of United States District Courts on the same patent.

2. An intervening decision of the Third Circuit on substantially identical facts is in conflict with the decision of the Second Circuit in this case.

3. This Court was misled by the failure of the District Court to make adequate and specific findings of fact as to prior uses.

4. Litigation elsewhere, with a resulting conflict of decision, is improbable because three large manufacturers stopped making the accused devices in recognition of the patent in suit and the trade has resorted to articulated, cumbersome front end loaders (see Appendix, p. 1a).

I. THE DECISION OF THE COURT OF APPEALS FOR THE SECOND CIRCUIT IS IN CONFLICT WITH DECISIONS OF UNITED STATES DISTRICT COURTS ON THE SAME PATENT.

On December 4, 1959, Civil Action No. 1264-59-WM, was filed by the Plaintiffs on patent No. 2,900,096, against S. Vincen Bowles and S. Vincen Bowles, Inc., and on which final judgment was subsequently entered by the United States District Court for the Southern District of California, Central Division, sustaining the validity of this patent and holding that certain claims thereof are infringed. This judgment is valid and subsisting. A copy thereof was marked in this case as Ex. P. 286.

Also on December 4, 1959, Civil Action No. 2336-SD-C, was filed by the Plaintiffs on Patent No.

2,900,096, against Joseph E. McDonald et al., and on which final judgment was subsequently entered by the United States District Court for the Southern District of California, Southern Division, sustaining the validity of this patent and holding that all claims thereof "are good and valid in law".

Even though these be decisions of District Courts, they are final decisions in those cases and remain as standing decisions. There is just as much need for reconciling them with the final decision in the Second Circuit, as if they were by the Court of Appeals.

Cases in which this Court has granted certiorari to resolve conflict of decision of different courts on the same issue include the following:

Sanford v. *Kepner* (1952), 344 U.S. 13, 73 S.Ct. 75;

Stelos Co. v. *Hosiery Motor-Mend Corp.* (1935) 295 U.S. 237, 55 S.Ct. 746;

Universal Oil Products Co. v. *Globe Oil & Refining Co.* (1944), 322 U.S. 471, 64 S.Ct. 1110.

II. AN INTERVENING DECISION OF THE THIRD CIRCUIT ON SUBSTANTIALLY IDENTICAL FACTS IS IN CONFLICT WITH THE DECISION OF THE SECOND CIRCUIT IN THIS CASE.

On May 18, 1966, the Court of Appeals for the Third Circuit decided appeal No. 15,360, *Jones Knitting Corporation, et al.* v. *Morgan, et al.*, — F.(2d) —, 149 USPQ 659.

One of the principal defenses to the validity of the patent on the knitted fabric was the prior use of a similar fabric. The alleged infringer sought to prove the use of a similar fabric by one Anderson, with two corroborating witnesses who were co-employees at the time the fabric was allegedly used. However, because

of the heavy burden resting on the infringer and the lack of corroboration, this was held by the Court of Appeals not to meet the requirements of this Court for proof of prior use. The Court of Appeals reversed the District Court and held the patent valid.

The circumstances and character of evidence involved in the Jones case are closely parallel with those involved in the Second Circuit and yet the Third Circuit following decisions of this Court held that the evidence was not sufficient, directly contrary to the decision of the Second Circuit. This intervening decision indicates a need for review by this Court for clarification of this branch of the law.

III. THIS COURT WAS MISLED BY THE FAILURE OF THE DISTRICT COURT TO MAKE ADEQUATE AND SPECIFIC FINDINGS OF FACT AS TO PRIOR USES.

In denying the Petition for Certiorari, this Court evidently was misled into an assumption that there was corroboration for the oral testimony of prior use, which this Court and other Circuits have always required for proof. The Record does not support such assumption, but shows the contrary.

The circumstances under which a case is presented to a court of appeals are materially different from those of a trial. Here the trial consumed some eleven days, with extensive briefs following. In the Court of Appeals the review was limited to a very restricted brief and a curtailed argument measured in minutes. The reviewing court should not make findings and amend them, under those circumstances. The Petitioners are thus deprived of due process.

Rule 52 of the Federal Rules of Civil Procedure requires that the Court "find the facts specifically". Where the findings of fact are insufficient to support

the judgment, this Court has reversed the action to require that this be done. *Kelley* v. *Everglades Drainage District* (1943), 319 U.S. 415, 420, 63 S.Ct. 1141, 1144;[1] *Hatahley* v. *United States*, (1956), 351 U.S. 173 76 S.Ct. 745.

The District Court wrote an opinion, in which it gave only a brief summary of the evidence, but as to the turning point of the case, the prior uses, it made no findings of fact, but only a conclusion of law that the Court was "completely satisfied with the defendants' proof of prior art" (R. 5), even though much of the testimony was by deposition. There was no analysis of the testimony, no findings of fact as to corroboration, no reference to documentary evidence.

The Court of Appeals reviewed the evidence somewhat more at length, but it is deprived at the very least of the findings of fact prescribed by Rule 52. The Court of Appeals admitted that:

> "Although more specific findings of fact would have been helpful on our review, a remand is unnecessary in this case."

What the Court of Appeals was doing in thus rejecting the demand for more specific findings of fact was to substitute its own summary review of the evidence for the trier of fact, the District Court. The Court of Appeals rejected much of the consideration of the District Court as to this patent, the very foundation on which the District Court's decision was predicated,

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[1] "To support such determinations, there must be findings, in such detail and exactness as the nature of the case permits, of subsidiary facts on which the ultimate conclusion of fairness can rationally be predicated.

"The findings in the present case fall short of that requirement."

leaving only the bare prior use devices, but without any findings of fact as to those prior use devices, that they were sufficient to support the decision.

There was no corroboration here. This Court may have assumed and been misled by the vague and indefinite lack of adequate findings of the District Court, and the opinion of the Court of Appeals.

To find that "the Court is completely satisfied with the Defendants' proof of prior art" (R. 5) is merely a legal conclusion, but aside from general reference to particular devices, that is as far as the District Court goes in complying with Rule 52. It is not a compliance and the Court of Appeals should have remanded the case, as requested, which would have given the District Court an opportunity to analyze the evidence of prior use in the light of the modifying decision of the Court of Appeals. *United States* v. *United States Gypsum Co.*, (1948) 333 U.S. 364, 395, 68 S.Ct. 525, 542.[2]

At the same time, it would have revealed to this Court that there was no corroboration for the testimony of the witnesses as to these prior uses. This would have revealed that the witnesses are without the contemporaneous documentary evidence necessary according to decisions of this Court and of the Circuit Court of Appeals to sustain proof of prior use.

So, too, the decision of the Court of Appeals is couched in vague language as to infer and thus may have resulted in misleading this Court into the assump-

[2] "A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed."

tion of corroboration, when there was none. Without corroboration, the decision cannot stand. It is against all authority. It is important, therefore, that there be clear delineation of the corroborating documents that are held to support the oral testimony. These should not be left to inference, assumption, or indefiniteness.

This decision, of course, is not a bar to a subsequent suit in a different circuit on the same patent. The prior uses would still need to be established in such cases by the defendants. With the vagueness of the findings here, it would be difficult for the Court in each case to determine what corroborating evidence is presented here to meet the legal requirements. Moreover, by the time each other case reaches trial, evidence of proving or disproving corroboration may be unavailable. This is an important reason for review of this case now.

IV. LITIGATION ELSEWHERE, WITH A RESULTING CONFLICT OF DECISION, IS IMPROBABLE BECAUSE THREE LARGE MANUFACTURERS STOPPED MAKING THE ACCUSED DEVICES IN RECOGNITION OF THE PATENT IN SUIT AND THE TRADE HAS RESORTED TO ARTICULATED, CUMBERSOME FRONT END LOADERS.

This Court has recognized the propriety of granting petitions for certiorari even in the absence of a conflict of decision, where it is improbable that there will be a conflict of decision in different circuits. *Schriber-Schroth Co.* v. *Cleveland Trust Co.* (1938), 305 U.S. 47, 50, 59 S.Ct. 8, 10.

The Defendant is the only manufacturer presently making the gooseneck-type front end loader as an infringement of the patent in suit. Three other manufacturers stopped making this type of loader in recognition of this patent, two of whom stand under consent judgments that this patent is valid.

Other manufacturers, except this Defendant, have resorted to the making of complex articulated-type of expensive equipment which is not accused to be infringements of the patent (see Appendix, p. 1a).

In view of the direction of the trash and refuse equipment industry in thus adopting other and more complicated equipment, it would be of benefit to the welfare of the whole country for the Court to review this case to the end of determining finally whether or not the patent in suit is valid or was anticipated by prior uses devices. Otherwise, the patent in suit would continue to stand as a threat to further litigation and may keep the industry from using the form of front end loader (Petition, pp. 5, 7), which is of so great benefit as established by its commercial success, and when compared with the complex devices now in use by others in the industry, as has been noted above (Appendix, p. 1a).

Respectfully submitted,

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June, 1966.

Certificate of Counsel

I hereby certify that the foregoing Petition for Rehearing is presented in good faith and not for delay and is restricted to grounds specified in Rule 58 of the Rules of this Court.

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APPENDIX

